GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3092
ANSWERED ON:22.03.2002
SBI MUTUAL FUNDS
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Will the Minister of FINANCE be pleased to state:

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(a) whether the SBI mutual funds are reportedly being invested in non-trading companies;

(b) if so, the details thereof;

(c) whether this will lead to erosion of NAV to investors; and

(d) if so, the steps being taken to keep a close watch on the functioning of mutual funds?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) SBI Mutual Fund has intimated that the Fund invests largely in manufacturing, software and financial sector companies, which are `non-trading` companies.

(c) The changes in Net Asset Value (NAV) would depend upon the overall growth in the economy; level of stock market indices; performance of individual companies etc.

(d) Mutual funds are regulated by the Securities and ExchangeBoard of India (SEBI) under the SEBI (Mutual Funds) Regulations 1996. SEBI monitors the activities of mutual funds.

Mutual funds are required to disclose their performance in terms of NAVs on daily and weekly basis in case of open ended and close-ended schemes respectively in accordance with SEBI regulations.They are also required to disclose their investment performance in the offer documents, half-yearly results and annual reports which are available to investors.